

### Remarks

Claims 1-28 are currently pending in the application.

Claims 1-28 stand as rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the Applicants regard as the invention.

The Examiner has rejected Claims 1, 16 and 25 for the use of the indefinite phrase "tree-like fashion" and because the possible scope of the claims allow subordinate cards to be ultimately unlinked to the master purchasing card. In response, the Applicants have removed the phrase "tree-like fashion" from all three claims and have included the limitation in all three claims that the subordinate purchasing card be linked either directly or indirectly (via another subordinate purchasing card) to the master purchasing card. The Applicants submit that these modifications to Claims 1, 16 and 25 traverse the Examiner's rejection under § 112, second paragraph.

The Examiner states that Claim 1 recites the limitation "said authorizing purchasing card" in line 6, said phrase having an insufficient antecedent basis in the claim. In response, the Applicants have modified the wording of the claim to remove the need for the antecedent basis.

The Examiner states that Claim 10 recites that "interfaces to outside entities are monitored for performance and further unacceptable performance is reported". Because there appears to be a lack of detail in the specification to support expanding the details of this claim, the Applicants have chosen to delete the claim.

The Examiner states that Claim 11 recites a software application establishing communication with a bank and refers to Claim 9 wherein the communication is described as being encrypted and secure. The Examiner further states that the Applicants must provide a link between the two claims if they are to depend on each other. The Applicants fail to see the Examiner's objection to Claim 11. Claim 11 is dependent upon Claim 9, which is dependent

upon Claim 8. Claim 8 states that there is a software application that may establish communication with outside entities. Claim 9 adds the limitation that the communications are encrypted, and Claim 11 specifies that the outside entity is the bank which maintains the bank account mentioned in Claim 1 of the claim set. The scope of Claims 8, 9 and 11 have a proper dependent relationship wherein succeeding claims are narrower in scope than the claims from which they depend. The Applicants do not understand what the Examiner is asking for when he states that the Applicants must provide a "link" between the two claims, and requests clarification.

The Examiner states that Claim 12 refers back to Claim 10, which describes performance monitoring and that it is unclear how the software application instructs the bank to move funds between the bank account and the purchasing cards. In response, the Applicants have modified Claim 12 to depend from Claim 11 and have replaced the term "instructs" with the phrase "initiates a transaction". It is common practice in the prior art that a software application be able to interact with a bank to initiate transactions at the bank. There are many commercial, off the shelf consumer grade products able to initiate transactions at a bank. It is understood that there is software running on computers at the bank which is capable of interpreting instructions received from outside software applications and initiating various transactions based on those communications.

The Examiner states that Claim 15 is vague and indefinite as to how the credit card processor advises the software regarding purchases. In response, the Applicants have modified Claim 15 to specify that data is exchanged between the credit card processor and the software application, wherein the exchanged data contains information regarding the purchases made using the purchasing cards. It is also understood and well known in the prior art that data can be exchanged between computers. In this case, the credit card processor would have a computer system which is able to exchange data with another computer system where the claimed software

application is running and that the exchanged data may contain information regarding purchases made by any of the purchasing cards.

With respect to Claim 25, the Examiner states that it is unclear what the Applicants mean by the term "create". In response, the wording of Claim 25 has been changed to eliminate the term "create".

The Examiner has rejected claims 1-5, 7-23 and 25-27 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,098,053 (Slater). Before rejections of specific claims are addressed by the Applicants, the Applicants wish to point out in general the differences between Slater and the claimed invention of the present application. In general, Slater teaches a system whereby an ATM or point of sale (POS) transaction utilizing a checking or savings account is able to be initiated over a public access network, such as the Internet. Typically, such transactions are initiated by the presentation of a debit card, in person, at the POS. In Slater, the purchaser, when making an online purchase over the Internet, provides the merchant with digitally signed and/or encrypted purchaser payment instructions which include encrypted card information and security information. The merchant adds merchant payment instructions to the encrypted information received by the purchaser and forwards both sets of information to the purchaser's financial institution. Thus, the merchant is able to receive payment from the purchaser's financial institution without ever having access to the information required to do so, such as the purchaser's account number or any required passwords, etc. In general, no mention is made in Slater of a hierarchy of purchasing cards linked to a single bank account, nor is there any mention of a master purchasing card or subordinate cards linked to the master purchasing card, either directly or indirectly through other subordinate purchasing cards.

Specifically with respect to Claim 1, the Examiner states that Slater, at column 5, lines 40-65 and Figures 2-4 and associated text disclose a system comprising a master purchasing card linked to a bank account and a plurality of subordinate purchasing cards linked to the master

purchasing card either directly or indirectly and wherein any of the purchasing cards may authorize the movement of funds from itself to any subordinate purchasing card link thereto. The passage in Slater cited by the Examiner appears to comprise a description of a system which includes a method of the use of a debit type card linked to a checking or savings account of the user in a manner that the account information and other information necessary to complete the transaction is not made available to the merchant. No mention is made in the cited passage in Slater, or anywhere else in Slater, of a hierarchy of credit cards linked to each other or to a master purchasing card. The only similarity between Slater and the present invention is the well known method in the prior art of linking a debit card to a banking account, such as a checking or savings account. In the present invention, this would be the equivalent of the master purchasing card. However, Claim 1 contains specific limitations in addition to the master purchasing card element, such as subordinate cards linked to the master purchasing card, which are not present in or taught by Slater.

In paragraph 2, the Examiner states that purchasing cards having an expenditure limit is disclosed in column 7, line 65 through column 8, line 28 of Slater. In fact, these lines in Slater describe utilizing a magnetic strip reader or a smart card reader to read the data from individual cards. This passage of Slater does not mention purchasing cards having an expenditure limit.

In paragraph 3, the Examiner states that purchasing cards may create and break links to or from subordinate purchasing cards is disclosed in column 1, lines 40-54 and column 10, lines 33-67. This section of Slater discusses having debit cards linked to credit card accounts such as a Visa® or MasterCard® such that the account holder does not need to enter a PIN when they perform a transaction. This could be analogous to the master purchasing card mentioned in Claim 1, however, it does not in any way teach that cards may be linked or unlinked to or from master or subordinate cards -- (1) because subordinate cards are not mentioned and (2) because the only link that is mentioned in this passage is a link to a single account, not to other

purchasing cards. In column 10, lines 33-67, Slater teaches procedures that a bank goes through to decrypt the information which has been received from the merchant and the manner in which the bank completes the financial transaction. Again, no mention is made of creating or breaking links between cards and their subordinate cards.

In paragraph 4, the Examiner states that the passage in column 10, lines 33-67 of Slater discloses the limitation that requests for modification of the expenditure limit of the subordinate cards be accomplished in real time. Once again, no mention is made in this passage or anywhere else in Slater of subordinate cards linked to parent cards, nor is any mention made in this passage regarding the modification of expenditure limits. What is mentioned in this passage is a discussion of approving or disapproving a transaction based upon the current spending limit of the card.

In paragraph 5, the Examiner states that column 5, lines 40-60 and column 11, lines 39-45 of Slater disclose that authorizations for modifications of a purchasing card's expenditure limit be facilitated by a website available over the Internet. Column 5, lines 40-60 of Slater do mention the Internet, however the Internet is referred to in this passage as a means for initiating ATM or POS transactions, not for reauthorizing the expenditure limit of a purchasing card. Likewise, the passage cited in column 11 states that "the present system may be advantageously utilized to electronically pay bills, transfer money between individuals and perform business to business payments using the World Wide Web, e-mail and all the other Internet protocols". This passage does not mention utilizing the Internet to authorize the changing of an expenditure limit on a purchasing card.

In paragraph 7, the Examiner states that Slater, at column 7, lines 41-64 discloses a software application running on a computer system as is recited in Claim 7. This passage of Slater does disclose a software application running on a computer system, however, this software application runs on a computer system at a purchaser's home and is used to initiate ATM or POS

transactions over the Internet, whereas the software application of Claim 7 of the present application refers to a software application utilized in conjunction with the system described in Claims 1 and 2, namely, the master purchasing card linked to a bank account with a plurality of subordinate cards linked in a hierarchical fashion.

In paragraph 8, the Examiner states that Slater, at column 8, lines 3-51 discloses a software application capable of establishing communications with outside entities. While any computer capable of accessing the resources of the Internet is capable of establishing communication with outside entities, this particular claim is dependent upon Claim 7 and in turn upon Claims 2 and 1 and must be taken in the context of the elements already present in those claims. Likewise in paragraph 9, the Examiner states that column 8 of Slater discloses sending and receiving encrypted communications to ensure data integrity and security. This feature is also well known in the art standing alone, however, as with Claims 7 and 8, must be taken in context with the limitations of their parent claims, which disclose elements not present in Slater. In addition, this passage of Slater does not mention maintaining a log file for audit and customer support purposes.

In paragraph 10, the Examiner states that Figure 1 of Slater and its associated text be monitored for performance. This is in reference to Claim 10 which has been deleted from the application.

In paragraph 11, the Examiner states that Slater, at column 5, line 40 through column 6, line 44 discloses a software application which establishes communication with the bank which is maintaining the bank account mentioned in Claim 1. The Applicants would like to point out that this passage of Slater does not mention a software application establishing communication with a bank. It does mention remotely interacting with a merchant over a communications network, such as the Internet, which would, of necessity, involve the use of a software application such as a browser. However, the software application (browser) in this case is not establishing

communication with a bank, but is establishing communication with a merchant. Likewise, no specific piece of software is mentioned to facilitate the communication between the purchaser and the purchaser's or merchant's bank.

In paragraph 12, the Examiner states that Slater, at column 4, lines 1-65 discloses a software application which instructs a bank to move funds between a bank account and a purchasing card to cover expenditures made using the purchasing card. Slater, in this passage, teaches a system wherein a purchase is made using a personal computer to simulate an ATM or POS financial transaction and wherein the payment is debited from the purchaser's bank account and is credited directly to the merchant's bank account. Please refer to Figure 1, wherein arrows 30 and 36 which show the movement of funds from the purchaser's bank through financial institute 22 to the merchant's bank 34. Slater does not teach having a software application instruct a bank to move funds between a bank account and a purchasing card.

The Examiner states in paragraph 13 that Slater at column 10, lines 33-67 discloses that a software application establish communications with a credit card processor. The Applicants respectfully submit that this passage of Slater does not mention a credit card processor, unless the purchaser's bank can be interpreted as a credit card processor. Please note that the passage describes the use of a debit card. The passage cited indicates that a purchaser's bank receives a request for debit of an account held at the bank. It checks to see if the funds are available and either approves or disapproves the transaction based upon the availability of funds. No mention is made of a software application establishing communications with a credit card processor.

In paragraph 14, the Examiner states that Slater, at column 7, line 65 through column 8, line 28 discloses a software application which can instruct a credit card processor to modify the expenditure limit for any of the purchasing cards. First, the Applicants would like to point out again that no mention is made in Slater of linked, subordinate purchasing cards. Secondly, this passage of Slater teaches reading information magnetically encrypted on a card with a card

reader interface such as a magnetic strip reader or a smart card reader. No mention is made in this passage of expenditure limits.

In paragraph 15, the Examiner states that column 7, lines 25-65 of Slater discloses a credit card processor advising the software application of purchases made using any of the purchasing cards. This refers to a debit collection feature disclosed in the present invention. In the passage of Slater, the only software mentioned is software which may be present in the purchaser's computer and which may contain information regarding the purchaser's account number and other information necessary to access the funds within the purchaser's bank account. Nowhere in this passage is mention made of a credit card processor advising the software application of purchases made using any of a plurality of purchasing cards.

The Examiner states that Claims 16-23 are directed toward a computerized system as above and are rejected on the same grounds as above. The Applicants respectfully submit that the § 112 and § 102 rejections have been addressed above with respect to Claims 1-15 by the amendments to the claims and the remarks regarding the Examiner's interpretation of Slater and that those comments apply to Claims 16-23 as well. In addition, Claims 16-23 have been modified to correct the § 112 deficiencies as noted above by the Examiner.

In paragraph 25, the Examiner states that Slater, at column 5, lines 40-65 and Figures 2-4 disclose a method of the payment of petty cash disbursements including creating a plurality of subordinate purchasing cards linked to a master purchasing card. As discussed above, nowhere in Slater is the concept of subordinate cards linked to a master purchasing card mentioned, discussed or taught. The Examiner in paragraphs 26 and 27 makes the same rejections as above with respect to the system claims and, as such, the comments above with respect to those claims apply here as well.

The Examiner has rejected claims 6, 24 and 28 under 35 U.S.C. § 103(a) as being unpatentable over Slater in view of U.S. Patent No. 6,581,035 (Madan et al.). Because the



Applicants have shown that the parent claims to claims 6, 24 and 28 are not disclosed by Slater, any additional elements in those claims not disclosed by Slater and disclosed by Madan would not constitute grounds for rejection under § 103, as the rejections made by the Examiner based on Slater have been traversed.

### **Conclusion**

The Applicants have made amendments to the above claims in response to various § 112 rejections by the Examiner and have shown in the following remarks how the present application differs from the principal reference utilized by the Examiner, thereby addressing the Examiner's § 102 rejections. As a result, the Applicants respectfully submit that all claims as they currently stand are allowable over Slater and any combination of Slater and Madan et al., and respectfully request reconsideration of the claims in light of the amendments and remarks above and allowance of the claims at the earliest possible time.

Respectfully submitted,



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